

LYNCHBURG CITY COUNCIL

Agenda Item Summary

MEETING DATE: **August 8, 2006**

AGENDA ITEM NO.: 13

CONSENT:

REGULAR: **X**

CLOSED SESSION:

(Confidential)

ACTION: **X**

INFORMATION:

ITEM TITLE: Proposed Amendment to the City Code, Sections 34-4 and 39-27, to Remove Caps on Water and Sewer Availability Fees for Multifamily Developments

RECOMMENDATION: Approve the proposed amendment to the City Code.

SUMMARY: The City Code requires periodic review of water and sewer availability fees. Recently, a question was raised about provisions in the Code that set caps on water and sewer availability fees. The provisions setting caps result in only the first thirty (30) multifamily units paying availability fees. Additional units in excess of the first thirty pay no availability fees. In essence, the rest of the Utility system subsidizes those additional units. Given the fiscal stress experienced by both utility funds, and the principle that multifamily developments should pay their fair share of utility system costs, it is recommended that the caps on availability fees for multifamily developments be removed.

PRIOR ACTION(S): N/A

FISCAL IMPACT: More water and sewer availability fees will be received from larger multifamily developments.

CONTACT(S): Kimball Payne, 455-3990

ATTACHMENT(S): Proposed Code amendment.

REVIEWED BY: lkp

ORDINANCE

AN ORDINANCE TO AMEND AND REENACT SECTION 34-4. GENERAL TERMS, CONDITIONS, AND PROVISIONS APPLICABLE TO SEWER MAINS EXTENDED OR INSTALLED WITH CITY APPROVAL SECTION AND 39-27. GENERAL TERMS, CONDITIONS, AND PROVISIONS APPLICABLE TO WATER MAINS EXTENDED OR INSTALLED WITH CITY APPROVAL, OF THE CODE OF THE CITY OF LYNCHBURG, 1981, THE AMENDED SECTION RELATING TO SEWER AND WATER CONNECTIONS WITHIN THE CITY.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LYNCHBURG:

1. That Sections 34-4 and 39-27 of the Code of the City of Lynchburg, 1981, be and the same are hereby amended and reenacted as follows:

Sec. 34-4. General terms, conditions, and provisions applicable to sewer mains extended or installed with city approval.

- (a) Title to any sewer main extensions or service connections within the public right-of-way or requested easements shall vest in the city upon the completion of construction regardless of method of financing.
- (b) Where public sewer systems are already installed, replacement or enlargement of the sewer pipes, when deemed necessary by the city, shall be made at the sole cost and expense of the city.
- (c) Whenever any person owning property along the line of any sewer main in the city which has been extended, installed or purchased by the city in the preservation of the health and general welfare of the public, or by petition, but without the participation of him or a previous owner of this property, shall desire the sewer service from said main to his premises, he shall be required to do the following:
 - (1) Fulfill the criteria as outlined under subsection (g) hereof, involving sewer main connections;
 - (2) Make an additional payment of an availability charge, the purpose of which is to defray in part the cost of providing outfall lines, pumping stations and waste treatment facilities. The availability charges are as follows:
 - a. Single-family residence:
 - (i) Where fifty (50) to fifty-nine (59) per cent of the potential customers of the project as determined by the city engineer sign petitions requesting such project, the charge shall be nineteen hundred and fifty dollars (\$1,950.00) per connection, for each such petitioner.
 - (ii) Where sixty (60) to sixty-nine (69) per cent of said customers sign such petitions, the charge shall be eighteen hundred fifty dollars (\$1,850.00) per connection, for each such petitioner.
 - (iii) Where seventy (70) to seventy-nine (79) per cent of said customers sign such petitions, the charge shall be seventeen hundred fifty dollars (\$1,750.00) per connection, for each such petitioner.
 - (iv) Where eighty (80) to eighty-nine (89) per cent of said customers sign such petitions, the charge shall be sixteen hundred and seventy-five dollars (\$1,675.00) per connection, for each such petitioner.
 - (v) Where ninety (90) to ninety-four (94) per cent of said customers sign such petitions, the charge shall be fifteen hundred and fifty dollars (\$1,550.00) per connection, for each such petitioner.
 - (vi) Where ninety-five (95) to one hundred (100) per cent of said customers sign such petitions, the charge shall be fourteen hundred and fifty dollars (\$1,450.00) per connection, for each such petitioner.
 - b. Multifamily structures and mobile home parks where a single connection is made:
 - (i) For the first five (5) units, nine hundred and eighty dollars (\$980.00) each.

(ii) For the second five (5) units, seven hundred and thirty dollars (\$730.00) each.

(iii) For all additional units, four hundred and ninety dollars (\$490.00) each, ~~subject to a maximum charge of eighteen thousand three hundred and fifty dollars (\$18,350.00) under this subsection b.~~

Separate individual connections to each unit of a multifamily structure or mobile home park will require the same availability charge for each unit as a single-family residential unit. Separate connections serving more than one unit will require the availability charge as specified above in Section 34-4(c)(2)b.

c. Commercial service: Up to two thousand (2,000) square feet of floor space, or if a maximum four (4) inch diameter building sewer is used, the charge shall be nineteen hundred and fifty dollars (\$1,950.00). If a connection sewer in excess of four (4) inches in diameter is required, the following charges shall apply:

Availability Charge:	Floor Space
\$1,950.00	0 to 2,000 square feet
\$2,440.00	2,001 to 10,000 square feet
\$3,640.00	10,001 to 20,000 square feet
\$6,110.00	20,001 to 35,000 square feet
\$9,650.00	35,001 to 99,999 square feet
As determined by city council	100,000 square feet or greater

All availability charges for institutional service shall be as determined by city council on a case-by-case basis.

d. Just prior to the conclusion of each fiscal year, the city manager or his designee shall review all availability charges and connection fees, and recommend to council appropriate charges.

e. All extension agreements and service requests not included in original petitions shall be subject to the maximum prevailing availability charges and connection fees which are in effect at the time such agreement or request is approved by council, irrespective of the number of original petitioners.

(d) Whenever any property abutting a street is without a city sewer main, the owner desiring city sewer service shall be required to sign a petition for extension of sewer mains.

(1) Single-family and multifamily structures and mobile home parks: Upon receipt of said petition signed by at least fifty (50) per cent of the owners representing properties to be served by the sewer main extension, the city shall prepare an estimate for the installation of a sewer main.

Such estimate shall be prepared on the basis that the location, character and size of the extension, and the plans and specifications for the extension, and the materials used in the installation, replacement, maintenance and repair of the extension shall be as specified by the city.

(2) Commercial service: Where the council has determined the petitioned project to be economically feasible to the city, the availability charges set forth in Section 34-4(c)(2)c. shall be applicable.

Where the council has determined that the petitioned project is not economically feasible to the city, the cost of the project will be apportioned by council between the city and the benefitted property owners. The entire non-city portion shall be apportioned by council between the petitioning property owners as their availability charge. Any nonsigning property owner later petitioning for service shall pay the same proportioned share for each connection as the original signers.

(e) The owner or occupant of a single-family dwelling or a two-family dwelling that did not have access to city sewer lines prior to the extension of the line, may make arrangements to pay the availability charges in paragraph (c)(2)(a) and the connection charges in paragraph (g) of this section in installments. The city's billings and collections division may enter into a water and sewer service availability fee installment agreement

with the owner or occupant of a single-family dwelling or a two-family dwelling under the following conditions:

- (1) Only an owner or occupant that actually connects their dwelling to the city's sewer system is eligible to enter into a water and sewer service availability fee installment agreement.
- (2) The availability and connection charges and interest must be paid in full within one year.
- (3) Interest at the rate of five (5) percent per annum or the interest rate the city was charged for its most recent bond issue, whichever rate of interest is higher, will be charged on the unpaid balance of the availability and connection charges.
- (4) Payments will be made on such dates and in such amounts as the billings and collections division, in its discretion, determines are appropriate.
- (5) The unpaid balance of the availability and connection charges may be paid in full at any time without any prepayment penalty.
- (6) The water and sewer service availability fee installment agreement cannot be assigned or assumed without the prior written consent of the billings and collections division.
- (7) If the owners or occupants fail to make payments in accordance with the water and sewer service availability fee installment agreement, the city may discontinue water service to the property until all arrears for availability and connection fee installment payments due the city are paid in full.
- (8) As provided in section 15.2-104 of the Code of Virginia, or any succeeding section, the city will place a lien against the property that is served by the sewer line to secure the payment of the unpaid availability and connection charges.

The installment plan offered by this paragraph is for the benefit of the owners or occupants of single-family dwellings and two-family dwellings and is not available to developers or builders of residential subdivisions, apartments, boarding houses, lodging houses, rooming houses or other multi-family dwellings or to commercial and institutional facilities, or similar housing units.

- (f) Sewer main extensions involving industrial development, residential subdivision development of three (3) or more dwelling units per lot, and/or any other planned unit or special development are excepted from this section.
- (g) In addition to the previous applicable requirements, whenever any person owning property along the line of any sewer main in the city shall desire sewer service into his premises, he shall execute an agreement known as an "Application for Sewer." In addition thereto, the licensed plumber employed by him shall make written application therefor to the city on forms prescribed for that purpose.

Unless the building sewer, or connection, has been previously installed, the plumber or building contractor shall clearly indicate at the premises by a stake or otherwise the exact location of the building sewer. An applicant for any new connection must make an estimate of the size building sewer needed for all lines greater than four (4) inches in diameter for the particular building in order that the proper size building sewer may be installed to satisfy the demand. Upon approval of the application, payment of certain fixed sewer connection fees must be made as follows:

- (1) Four (4) inch diameter house building sewer—\$875.00
- (2) Larger than four (4) inch diameter building sewer - cost plus 15%; minimum charge—\$950.00

Provided, that when any property owner grants to the city free of cost the right to construct and maintain a sewer across said property owner's property, that property owner shall be granted a credit of one hundred dollars (\$100.00) to be applied against the appropriate connection charge for one (1) connection.

The city will then install a building sewer leading from the main in the street to the property line, or install a

sewer saddle. This requirement also applies to houses formerly occupied by one (1) family, but which are converted into two (2) or more apartments, with a separate sewer connection for each apartment unit. When these requirements are complied with, the city will thereupon issue a permit for the plumber named in the application to make connection with the city's sewer. All such connections and all plumbing work shall conform in all respects to the provisions of the plumbing code of the city.

(h) Residential subdivisions of no more than two (2) dwelling units per lot. For all subdivisions located within the city containing no more than two (2) dwelling units per lot, in addition to the construction of the system within the boundaries of the subdivision by the subdivider pursuant to Section 24.1-31(a) of the city's subdivision ordinance, there shall be paid by the property owner to the city at the time of connection to the system a connection fee (without an easement credit) as required by subsection (g) for each connection, and an availability charge, the purpose of which is to defray in part the cost of providing extension lines, pumping stations and waste treatment facilities, the sum of four hundred dollars (\$400.00) per lot; provided, however, that if in any subdivision development any lot is served by a connection directly to lines installed by the city, the availability charges as listed in Section 34-4(c)(2)a, will be paid by the property owner, except, however, that where he or a previous owner of this property participated in the cost of such lines, no availability charge shall be payable.

(i) The owner or occupant of a single-family dwelling or a two-family dwelling that did not have access to city sewer lines at the time it was constructed, may make arrangements to pay the availability charges in paragraph (c)(2)(a) and the connection charges in paragraph (g) of this section in installments. The city's billings and collections division may enter into a water and sewer service availability fee installment agreement with the owner or occupant of a single-family dwelling or a two-family dwelling under the following conditions:

(1) Only an owner or occupant that actually connects their dwelling to the city's sewer system is eligible to enter into a water and sewer service availability fee installment agreement.

(2) The availability and connection charges and interest must be paid in full within one year.

(3) Interest at the rate of five (5) percent per annum or the interest rate the city was charged for its most recent bond issue, whichever rate of interest is higher, will be charged on the unpaid balance of the availability and connection charges.

(4) Payments will be made on such dates and in such amounts as the billings and collections division, in its discretion, determines are appropriate.

(5) The unpaid balance of the availability and connection charges may be paid in full at any time without any prepayment penalty.

(6) The water and sewer service availability fee installment agreement cannot be assigned or assumed without the prior written consent of the billings and collections division.

(7) If the owners or occupants fail to make payments in accordance with the water and sewer service availability fee installment agreement, the city may discontinue water service to the property until all arrears for availability and connection fee installment payments due the city are paid in full.

(8) As provided in Section 15.2-104 of the Code of Virginia, or any succeeding section, the city will place a lien against the property that is served by the sewer line to secure the payment of the unpaid availability and connection charges.

The installment plan offered by this paragraph is for the benefit of the owners or occupants of single-family dwellings and two-family dwellings and is not available to developers or builders of residential subdivisions, apartments, boarding houses, lodging houses, rooming houses or other multi-family dwellings or to commercial and institutional facilities, or similar types of housing units.

Sec. 39-27. General terms, conditions and provisions applicable to water mains extended or installed with city approval.

(a) Title to any water main extensions or service connections within the public right-of-way or requested easements shall vest in the city upon the completion of construction regardless of method of financing.

(b) Where public water systems are already installed, replacement or enlargement of the water pipes, when deemed necessary by the city, shall be made at the sole cost and expense of the city.

(c) Whenever any person owning property along the line of any water main in the city which has been extended, installed or purchased by the city in the preservation of the health and general welfare of the public, or by petition, but without the participation of him or a previous owner of this property, shall desire the water service from said main to his premises, he shall be required to do the following:

(1) Fulfill the criteria as outlined under subsection (g) hereof, involving water main connections

(2) Make an additional payment of an availability charge, the purpose of which is to defray in part the cost of providing transmission mains, booster pumping and distribution storage facilities. The availability charges are as follows:

a. Single-family residence:

1. Where fifty (50) to fifty-nine (59) per cent of the potential customers of the project as determined by the city engineer sign petitions requesting such project, the charge shall be one thousand two hundred twenty dollars (\$1,220.00) per connection, for each such petitioner.

2. Where sixty (60) to sixty-nine (69) per cent of said customers sign such petitions, the charge shall be one thousand one hundred sixty dollars (\$1,160.00) per connection, for each such petitioner.

3. Where seventy (70) to seventy-nine (79) per cent of said customers sign such petitions, the charge shall be one thousand one hundred dollars (\$1,100.00) per connection, for each such petitioner.

4. Where eighty (80) to eighty-nine (89) per cent of said customers sign such petitions, the charge shall be one thousand forty dollars (\$1,040.00) per connection, for each such petitioner.

5. Where ninety (90) to ninety-four (94) per cent of said customers sign such petitions, the charge shall be nine hundred eighty dollars (\$980.00) per connection, for each such petitioner.

6. Where ninety-five (95) to one hundred (100) per cent of said customers sign such petitions, the charge shall be nine hundred twenty dollars (\$920.00) per connection, for each such petitioner.

b. Multifamily structures and mobile home parks where a master meter is used:

1. For the first five (5) units, six hundred ten dollars (\$610.00) each.

2. For the second five (5) units, four hundred sixty dollars (\$460.00) each.

3. For all additional units, three hundred ten dollars (\$310.00) each, ~~subject to a maximum charge of eleven thousand five hundred fifty dollars (\$11,550.00) under this subsection b.~~

4. Separate individual connections to each unit of a multifamily structure or mobile home park will require the same availability charge for each unit as a single-family residential unit. Separate connections serving more than one (1) unit will require the availability charge as specified above in Section 39-27(c)(2)b.

c. Commercial service: Up to two thousand (2,000) square feet of floor space or if a meter one (1) inch in diameter or smaller is used, the charge shall be one thousand two hundred twenty dollars (\$1,220.00). If a

meter in excess of one (1) inch in diameter is required, the following charges shall apply:

Availability charge	Floor space
\$1,220.00	0 to 2,000 square feet
\$1,530.00	2,001 to 10,000 square feet
\$2,290.00	10,001 to 20,000 square feet
\$3,820.00	20,001 to 35,000 square feet
\$6,110.00	35,001 to 99,999 square feet
As determined by city council	100,000 square feet or greater

All availability charges for institutional service shall be as determined by city council on a case-by-case basis.

d. Just prior to the conclusion of each fiscal year, the city manager or his designee shall review all availability charges and connection fees, and recommend to council appropriate changes.

e. All extension agreements and service requests not included in original petitions shall be subject to the maximum prevailing availability charges and connection fees which are in effect at the time such agreement or request is approved by council, irrespective of the number of original petitioners.

(d) Whenever any property abutting a street is without a city water main, the owner desiring city water service shall be required to sign a petition for extension of water mains.

(1) Single-family and multifamily structures and mobile home parks:

a. Upon receipt of said petition signed by at least fifty (50) per cent of the owners representing properties to be served by the water main extension, the city shall prepare an estimate for the installation of a water main.

b. Such estimate shall be prepared on the basis that the location, character and size of the extension and the plans and specifications for the extension and the materials used in the installation, replacement, maintenance and repair of the extension shall be as specified by the city.

(2) Commercial service:

a. Where the council has determined the petitioned project to be economically feasible to the city, the availability charges set forth in Section 39-27(c)(2)c. shall be applicable.

b. Where the council has determined that the petitioned project is not economically feasible to the city the cost of the project will be apportioned by council between the city and the benefitted property owners. The entire noncity portion shall be apportioned by council between the petitioning property owners as their availability charges. Any nonsigning property owner later petitioning for service shall pay the same proportioned share for each connection as the original signers.

(e) The owner or occupant of a single-family dwelling or a two-family dwelling that did not have access to city sewer lines at the time it was constructed, may make arrangements to pay the availability charges in paragraph (c)(2)(a) and the connection charges in paragraph (g) of this section in installments. The city's billings and collections division may enter into a water and sewer service availability fee installment agreement with the owner or occupant of a single-family dwelling or a two-family dwelling under the following conditions:

(1) Only an owner or occupant that actually connects their dwelling to the city's sewer system is eligible to enter into a water and sewer service availability fee installment agreement.

(2) The availability and connection charges and interest must be paid in full within one year.

(3) Interest at the rate of five (5) percent per annum or the interest rate the city was charged for its most recent bond issue, whichever rate of interest is higher, will be charged on the unpaid balance of the availability and connection charges.

(4) Payments will be made on such dates and in such amounts as the billings and collections division, in its discretion, determines are appropriate.

(5) The unpaid balance of the availability and connection charges may be paid in full at any time without any prepayment penalty.

(6) The water and sewer service availability fee installment agreement cannot be assigned or assumed without the prior written consent of the billings and collections division.

(7) If the owners or occupants fail to make payments in accordance with the water and sewer service availability fee installment agreement, the city may discontinue water service to the property until all arrears for availability and connection fee installment payments due the city are paid in full.

(8) As provided in Section 15.2-104 of the Code of Virginia, or any succeeding section, the city will place a lien against the property that is served by the sewer line to secure the payment of the unpaid availability and connection charges.

The installment plan offered by this paragraph is for the benefit of the owners or occupants of single-family dwellings and two-family dwellings and is not available to developers or builders of residential subdivisions, apartments, boarding houses, lodging houses, rooming houses or other multi-family dwellings or to commercial and institutional facilities.

(f) Water main extensions involving industrial development, residential subdivision development of three (3) or more dwelling units per lot, and/or any other planned unit or special development are excepted from this section.

(g) In addition to the previous applicable requirements, whenever any person owning property along the line of any water main in the city shall desire water service into his premises, he shall execute an agreement known as an "application for water." In addition thereto, the licensed plumber employed by him shall make written application therefor to the city on forms prescribed for that purpose.

Unless the service pipe and meter box have been previously installed, the plumber or building contractor shall clearly indicate at the premises by a stake or otherwise the exact location of the proposed meter and service. An applicant for any new service must make an estimate of the size connection needed for all meters greater than five-eighths (5/8ths) inch with a three-fourths (3/4ths) inch service for the particular building in order that the proper size service pipe and meter may be installed to satisfy the demand. Upon approval of the application and payment of certain fixed water connection fees must be made as follows:

(1) 3/4-inch service—5/8-inch meter \$775.00

(2) 1-inch service—5/8-inch meter \$790.00

(3) 1-inch service—1-inch meter \$935.00

(4) Larger than 1-inch service and 1-inch meter - Cost plus 15 %; minimum charge of \$935.00;

The city will then install a service pipe leading from the main in the street to the water meter box near the property line and/or install the meter. This requirement also applies to houses formerly occupied by one (1) family, but which are converted into two (2) or more apartments, with a separate water service and meter for each apartment unit. When these requirements are complied with, the city will thereupon issue a permit for the plumber named in the application to make connection with the meter box. All such connections and all plumbing work incident to the introduction of water into the premises shall conform in all respects to the provisions of the plumbing code of the city.

(h) Residential subdivisions of no more than two (2) dwelling units per lot: For all subdivisions located within the city containing no more than two (2) dwelling units per lot, in addition to the construction of the system within the boundaries of the subdivision by the subdivider pursuant to Section 24.1-31(a) of the city's subdivision ordinance, there shall be paid by the property owner to the city at the time of connection to the system a connection fee (without an easement credit) as required by subsection (g) for each connection, and an availability charge, the purpose of which is to defray in part the cost of providing transmission mains,

booster pumping and distribution facilities, the sum of three hundred dollars (\$300.00) per lot; provided, however, that if in any subdivision development any lot is served by a connection directly to lines installed by the city, the availability charges as listed in Section 39-27(c)(2)a. will be paid by the property owner except, however, that where he or a previous owner of this property participated in the cost of such line, no availability charge shall be payable.

(i) Residential subdivisions of no more than one (1) dwelling unit per lot: Notwithstanding the conditions of Section 39-27(g) and 24-31(a) city council may, upon request and after having obtained appropriate commitments for development of streets, recreational facilities, and other issues related to providing for affordable housing in the city, enter into a special agreement with subdivision developers, whereas the city would reimburse the developer for 100% of the cost of installing waterlines within the subdivision boundaries provided that: the agreement provides for guarantees from the developer that 80% of the projected revenue from the annual water rates paid by customers connected to the installed waterline within the subdivision boundaries in the first ten years will pay the total cost of the reimbursed amount, within the following ten years. Guarantees may be in the form of liens placed on lots within the subdivision; cash payments; bonds; or other forms of securities satisfactory to the city attorney. Such guarantees shall remain in effect until the full amount of the security is paid. The director of public works shall review such records relating to the agreement to assure that the projected revenue from the development will recover the cost of the waterline reimbursement over a period of twenty years. The developer shall be responsible for providing all information necessary to assure compliance with the terms of the agreement. The city shall render a bill to the developer after the first 10 years that the agreement is in force for the difference of the amount of projected revenue from the customers connected to the waterlines at that time and the total amount of the reimbursement for the cost for the installation of the waterlines. If any covenants of the agreement are not satisfied, the city shall render a bill immediately relating to the remaining waterline costs.

(j) The owner or occupant of a single-family dwelling or a two-family dwelling that did not have access to city water lines at the time it was constructed, may make arrangements to pay the availability charges in paragraph (c)(2)(a) and the connection charges in paragraph (g) of this section in installments. The city's billings and collections division may enter into a water and sewer service availability fee installment agreement with the owner or occupant of a single-family dwelling or a two-family dwelling under the following conditions:

- (1) Only an owner or occupant that actually connects their dwelling to the city's water system is eligible to enter into a water and sewer service availability fee installment agreement.
- (2) The availability and connection charges and interest must be paid in full within one year.
- (3) Interest at the rate of 5 percent per annum or the interest rate the city was charged for its most recent bond issue, whichever rate of interest is higher, will be charged on the unpaid balance of the availability and connection charges.
- (4) Payments will be made on such dates and in such amounts as the billings and collections division, in its discretion, determines are appropriate.
- (5) The unpaid balance of the availability and connection charges may be paid in full at any time without any prepayment penalty.
- (6) The water and sewer service availability fee installment agreement cannot be assigned or assumed without the prior written consent of the billings and collections division.
- (7) If the owners or occupants failed to make payments in accordance with the water and sewer service availability fee installment agreement the city may discontinue water service to the property until all arrears for availability and connection fee installment payments due the city are paid in full.
- (8) As provided in Section 15.2-104 of the Code of Virginia, or any succeeding section, the city will place a lien against the property that is served by the water line to secure the payment of the unpaid availability and connection charges.

The installment plan offered by this paragraph is for the benefit of the owners or occupant of single-family dwellings and two-family dwellings and is not available to developers or builders of residential subdivisions, apartments, boarding houses, lodging houses, rooming houses or other multi-family dwellings, or to commercial and institutional facilities.

2. That this ordinance shall become effective on its passage.

Adopted:

Certified:

Clerk of Council

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